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NEW ORLEANS BOWL, INC.

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/18/08

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Orleans Bowl, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **New Orleans Bowl, Inc.** (a non-profit organization) as of December 31, 2007, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **New Orleans Bowl, Inc.** Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **New Orleans Bowl, Inc.** as of December 31, 2007, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
New Orleans Bowl, Inc.
New Orleans, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2008 on our consideration of **New Orleans Bowl, Inc.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an internal part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report (shown on page 10) is presented for the purpose of additional analysis and is not a required part of the financial statements of **New Orleans Bowl, Inc.** Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all materials respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 29, 2008



NEW ORLEANS BOWL, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2007

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 417,958
Grant receivable	335,217
Due from affiliate (NOTE 3)	106,590
Other receivables	12,789
Sponsorship receivables	<u>191,607</u>
 Total assets	 <u>\$ 1,064,161</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Due to affiliate (NOTE 3)	\$ 43,503
Accounts payable	<u>632,642</u>
 Total liabilities	 <u>676,145</u>
 Net Assets (NOTE 2):	
Unrestricted net assets	<u>388,016</u>
 Total net assets	 <u>388,016</u>
 Total liabilities and net assets	 <u>\$ 1,064,161</u>

The accompanying notes are an integral part of these financial statements.

NEW ORLEANS BOWL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Revenues and Other Support

Ticket sales (NOTE 8)	\$ 841,760
Conference guarantees	25,000
Contributions	3,000
Sponsorships	532,500
Grant revenue (NOTE 7)	362,717
Merchandising revenue	15,375
Television and radio rights	105,200
Interest income	8,196
Hotel rebates	340
Insurance proceeds	59,888
Miscellaneous	14,379
Program Sales	<u>1,326</u>

Total revenues and other support	<u>1,969,681</u>
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Expenses

Program services	1,774,220
Support services	<u>58,643</u>

Total expenses	<u>1,832,863</u>
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Change in net assets	136,818
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Net assets, beginning of year	<u>251,198</u>
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Net assets, end of year	<u>\$ 388,016</u>
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The accompanying notes are an integral part of these financial statements.

NEW ORLEANS BOWL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

Cash Flows From Operating Activities

Changes in net assets	\$ 137,537
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Increase in receivables	(82,269)
Decrease in prepaid expenses	11,520
Increase in accounts payables	44,850
Decrease in bank overdraft	<u>(37,614)</u>
Net cash provided by operating activities	<u>74,024</u>
Net increase in cash and cash equivalents	74,024
Cash and cash equivalents, January 1, 2007	<u>343,934</u>
Cash and cash equivalents, December 31, 2007	<u>\$ 417,958</u>

The accompanying notes are an integral part of these financial statements.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The **New Orleans Bowl, Inc. (the Bowl)** was organized in 2001 as a non-profit organization to foster national sports competition. Each year, it will organize a college football bowl game between two members of the National Collegiate Athletic Association which will be held in New Orleans, Louisiana.

Also, **the Bowl** was organized to provide any ideas and support necessary to assist in the coordination and production of the New Orleans Bowl.

The Bowl is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

The Bowl has adopted SFAS No. 117 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Bowl** are included in this category. **The Bowl** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Bowl** and therefore, **the Bowl's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2007, **the Bowl** did not have any temporarily or permanently restricted net assets.

Cash and Cash Equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - Related Party Transactions / Due To/From Affiliate:

Certain board members of **the Bowl** are also board members of the Greater New Orleans Sports Foundation. **The Bowl** has contracted with the Greater New Orleans Sports Foundation to manage and handle the administrative functions of hosting the New Orleans Bowl. The Greater New Orleans Sports Foundation provides office space, meeting space, utilities, and use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Bowl** provided the Greater New Orleans Sports Foundation with New Orleans Bowl game tickets valued at \$173,640 for services rendered to **the Bowl**. The Greater New Orleans Sports Foundation also purchased tickets valued at \$106,590 for its members. The amount is recorded as being due from affiliate, as the Greater New Orleans Sports Foundation has not paid the balance due as of December 31, 2007. The balance has been paid subsequent to year end. In addition to the above, **the Bowl** has an amount due to the Greater New Orleans Sports Foundation for reimbursable expenses. The total amount due to affiliate at December 31, 2007 totaled \$43,503.

NOTE 4 - Concentration of Credit Risk:

Financial instruments that potentially subject **the Bowl** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions.

NEW ORLEANS BOWL, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial amounts have been determined by **the Bowl** using available market information and appropriate valuation methodologies. **The Bowl** considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

NOTE 6 - Concentration of Risk:

The Bowl maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Commission (FDIC) up to \$100,000 each. Balances in excess of FDIC insurance at December 31, 2007 totaled \$331,431.

NOTE 7 - Grant Revenue:

The Bowl is the recipient of grant funds from the State of Louisiana-Department of Culture, Recreation and Tourism in the amount of \$335,217. The grant was primarily utilized to support the activities of the New Orleans Bowl.

NOTE 8 - Ticket Sales

Ticket sales consists of tickets sold through Ticketmaster outlets, ticket guarantees from each participating conference, tickets purchased by the Greater New Orleans Sports Foundation and tickets donated to the Greater New Orleans Sports Foundation. The total value of all ticket sales totaled \$841,760.

SUPPLEMENTARY INFORMATION

NEW ORLEANS BOWL, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL EXPENSES</u>
Professional fees	\$ 243,640	\$ 7,000	\$ 250,640
Insurance	0	41,080	41,080
Stadium expenses	131,444	0	131,444
Telephone	0	0	0
Supplies	0	955	955
Computer and Internet	0	431	431
Bank fees	0	20	20
Postage	0	3,462	3,462
Transportation	3,861	1,596	5,457
Letter of credit fee	6,515	0	6,515
Officials	26,715	0	26,715
Events awards and gifts	146,680	0	146,680
Licenses and fees	0	5	5
Media expenses	33,840	0	33,840
Membership expenses	86,911	0	86,911
Miscellaneous	23,691	3,594	27,285
Printing and advertising	213,982	0	213,982
Team guarantees	650,000	0	650,000
Travel and entertainment	32,920	0	32,920
Field crew	3,179	0	3,179
NCAA fee	12,000	0	12,000
Audio/video	11,776	0	11,776
Event equipment	1,317	0	1,317
Security	120	0	120
Ticket services	7,669	0	7,669
Food and beverage	41,606	0	41,606
Game operations	42,929	0	42,929
Game day events	26,497	0	26,497
Interest expense	0	500	500
Outreach program	26,928	0	26,928
Total	<u>\$ 1,774,220</u>	<u>\$ 58,643</u>	<u>\$ 1,832,863</u>

See Accountant's Report on Supplementary Information.



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INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL AND COMPLIANCE AND OTHER
MATTERS OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
New Orleans Bowl, Inc.
New Orleans, Louisiana

We have audited the financial statements of the **New Orleans Bowl, Inc. (the Bowl)** as of and for the year ended December 31, 2007, and have issued our report thereon dated February 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bowl's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bowl's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Bowl's financial statements that is more than inconsequential will not be prevented or detected by the Bowl's internal control.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL AND COMPLIANCE AND OTHER
MATTERS OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bowl's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bowl's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the entity, and the Board of Directors, and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 29, 2008

NEW ORLEANS BOWL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

We have audited the financial statements of **New Orleans Bowl, Inc.** as of and for the year ended December 31, 2007, and have issued our report thereon dated February 29, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2007 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses/Reportable Conditions	No
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Compliance

Compliance Material to Financial Statements	No
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b. Federal Awards

Not Applicable

c. Identification of Major Programs

Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:

None.

Section III - Findings and Questioned Costs Related to Federal Awards:

Not applicable